

ADMINISTRATIVE REPORT

TO: Board of Directors

FROM: B. Newell, Chief Administrative Officer

DATE: January 5, 2023

RE: Early Budget Approval for Specific Items

Administrative Recommendation:

THAT the following early approval requests be approved.

Business Plan Objective:

To increase organizational efficiencies and anticipating that going out early for bids will result in lower prices and earlier delivery of vehicles.

Background:

It is not uncommon for Local Governments to grant early approvals for the hiring of staff, purchasing items or to start construction of a project before the budget is adopted. Early approvals should only be requested if the purchase of the item is required before adoption, or the early approval will result in efficiencies and/or the anticipation of the bid for the project would be lower with an early bid process.

Submitted for Early Approval:

1. Capital Budget- Area “I” Purchase of Primary Pumper Truck for Kaleden Fire Department

The purchase and subsequent delivery of a fire truck takes as long as three years. Early approval will result in the delivery time for the pumper to move up by three months. In addition, the bid price on this truck is good only for 26 days. Early approval will allow for the RFP to be awarded and for a \$200,000 upfront payment to be made so that construction of the truck may start.

This item is on page E4 of the Capital budget and the following budget for this truck and is funded from capital reserves.

2023 – 200,000 (upfront payment)

2024 - \$200,000 (progress billing)

2025 - \$500,000 (payment upon delivery)

2. Operational Budget – Area “I” Apex large Item Pickup

Approval will not result in funds being expended immediately, it will allow commencement of contract negotiations so that a contract may be finalized for a summer large item pickup.

This item is on page D80 of the Operational budget which is \$8,778.

3. Capital Budget – Area “I” Installation of new emergency telecommunication repeater system for the Apex Volunteer Fire Department (AVFD)

The AVFD is a newly established service and provides fire, medical first response and road rescue services. AVFR currently uses a telephone interconnect model as a primary method to communicate with fire dispatch. This interconnect model is a secondary backup network for RDOS and Municipal departments with a radio/repeater system as a primary system. Early approval will improve the efficiency of the AVFD and protect the community.

This item is on page E36 of the capital budget and has a budget of \$40,000 which is funded from capital reserves.

4. Capital Budget - “All Participants” Purchase of an electric cargo van

Delivery time for electric vehicles are extreme and early approval will allow ordering the vehicle and obtaining delivery three months earlier. If the vehicle can be delivered for summer use staff will be able to use the vehicle for the 2023 year instead of the 2024 year.

This item is on page E40 of the capital budget and has a budget of \$80,000 funded from borrowing. Before the purchase can be made borrowing must be authorized by the Board. The Board will receive a report (January 19th) requesting that the \$80,000 be borrowed from MFA with a payback period of five years.

Yearly debt servicing is estimated to be \$17,904.

5. Operational Budget Hiring of Accounting Clerk Finance Department

The request is to hire a 0.50 Accounting Clerk. Over the past number of years the finance staff have worked an excess amount of overtime to complete work on a timely basis. The majority of this time is year-end, which has a statutory completion deadline of March 31st. By giving this request early approval the position will be utilized to help with the day to day core work, which will allow work on the audit on a timely basis.

6. Capital Budget - “All Participants” Purchase of an single axle dump truck

The early request is to ensure that the vehicle may be delivered in time for summer use.

This item is on page E40 of the capital budget and has a budget of \$92,000 from the 2022 budget and funded from capital reserves and \$38,000, an additional 2023 request for this vehicle funded from borrowing. Before the purchase can be made borrowing must be authorized by the Board. The Board will receive a report (January 19th) requesting that the \$38,000 be borrowed from MFA with a payback period of five years.

Yearly debt servicing is estimated to be \$8,508.

Alternatives:

THAT the early approval requests be denied.

Respectfully submitted:

Jim Zaffino

J. Zaffino, Manager of Finance
